

47

HUBBARD COMMUNICATIONS OFFICE  
Saint Hill Manor, East Grinstead, Sussex

Remimeo            HCO POLICY LETTER OF 23 APRIL 1973  
All Staff Hats            ISSUE III  
Basic SO Member Hat

UNDERSTANDING CORPORATE INTEGRITY

NOTE: This Policy Letter is drawn verbatim from the text of a booklet under the same title. For convenience various terms, each marked with an asterisk, have been defined in a Glossary appended to this Policy Letter.

UNDERSTANDING CORPORATE INTEGRITY

("Policy: Corporate structures must be correct legal and valid." (LRH).)

WHY IS IT IMPORTANT FOR A STAFF MEMBER TO UNDERSTAND CORPORATE\* INTEGRITY\*?

Responsible leadership and participation on the third dynamic requires a thorough knowledge of the relationship of one's group to the rest of the society. This relationship takes on many forms such as economic exchange, public relations and legal. Corporate Integrity is a principal part of the legal relationship.

WHY IN PARTICULAR IS THE LEGAL RELATIONSHIP IMPORTANT?

Answering this question goes back to a fundamental.

As L. Ron Hubbard has frequently pointed out, all power stems from a stable terminal. In HCO PL 29 July 1971 "Why Hatting" he states:

"In Scientology 8-80 the base of the motor is discussed. It holds two terminals in fixed positions. Because they are so fixed, power can be generated.

"If a thetan can hold a position or location in space he can generate POWER."

This principle extends and applies fully to organizations. In our society at this time the corporate integrity of a company or Church is the base of its legality, of its power. Only from a sound legal foundation can an organization safely expand in today's world.

This has been true for ages. Before the current pattern of legal incorporation\*, royal charters\* were required, and before that the agreement of the tribal elders. The third dynamic is that way.

For this reason HCO PL 11 December 1961 by L. Ron Hubbard gives as Org Rudiment 1:

"Be sure organization is properly registered  
and in proper legal relationship..."

#### HOW IS THE RELIGION SCIENTOLOGY LEGALLY INCORPORATED?

As a Church. The first incorporation of a Church of Scientology as such was on 18th February 1954, only four years after the publication of Book One.

#### IS THERE ONLY ONE CHURCH OF SCIENTOLOGY?

No, there are many around the world. These Churches are separately incorporated. For example, each US Church is a separate and distinct corporate entity, incorporated in the various States where they operate as a non-profit religious corporation.

Although Scientology Churches are legally independent they are united by a theological\* bond of common faith. For example, theologically the senior church in the United States is the Church of Scientology of California. This in no way gives legal jurisdiction of the C of S of C over other Churches, as they are separate corporations, but the other Churches do, of course, respond to the advice and guidance of their theological senior.

#### WHAT ABOUT, FOR INSTANCE, AOLA AND ASHO OR A FOLO LIKE FOLO WUS?

AOLA and ASHO were started by the C of S of C. They have always been and are part of the C of S of Calif, US. Similarly FOLO WUS was formed by and is an integral part of the C of S of Calif.

Other AOs and SHs and FOLOs are each part of a Church in the country in which they are situated.

#### WHAT ABOUT THE TERM "SEA ORG ORGS"?

This term is a misnomer which derives from a confusion concerning the relationship of the Sea Org to the Church.

It was sometimes used to describe churches where a majority of Sea Org members were employed or which were first established by Sea Org members employed by the Church.

There are of course no "Sea Org Orgs". All Scientology orgs operate under the name of the existing religious corporation, e.g. The Founding Church of Scientology of Washington, D.C., Church of Scientology of Nevada, etc.

The term is misleading and incorrect and has been discarded from terminology.

#### WHAT SHOULD I DO IF I HEAR THE TERM BEING USED?

Indicate to the user that it is improper usage and refer him to this policy letter.

#### WHAT IS THE SEA ORG?

The Sea Organization is a fraternal<sup>m</sup> organization existing within the formalized structure of the Churches of Scientology. It consists of highly dedicated members of the Church. These members take vows of eternal service. The Sea Organization life style of community living is traditional to religious orders.

The Sea Organization has no corporate structure or identity. The leadership of the Sea Org is found within the Church of Scientology of California (Flag Bureaux). Sea Org members work for the various independent Churches of Scientology. The individual Sea Org member would be an employee of whatever Church worked for, and is subject as are all other employees of that Church to the Board of Directors.

The Sea Org exists as the Sea Org to raise the ability to confront and handle MEST. It was founded as an OT organization and continues to be one. The case level and confront level of its members, its speed of particle flow, its multiple viewpoint system are all hallmarks of an OT organization.

Its members are bound together by the highest standards of ethical conduct and personal contribution, which are summarized in the Code of a Sea Org Member.

The Sea Organization is also organized with titles and ranks.

The insignia of the Sea Org are trademarked in the name of the Church of Scientology of California.

In essence, membership in the Sea Organization is an additional honor which a Scientologist may select, but in no way affects the running of the Churches except where Sea Org members are employed in executive capacities by churches.

It is noted however, due to the strenuous training and higher confront levels of Sea Org members that churches employing a majority of Sea Org members have a higher efficiency and production ratio per staff member than otherwise.

#### WHAT IS FLAG?

The Church of Scientology of California operates a Marine Mission aboard a chartered vessel. This Marine Mission is commonly referred to as Flag. It is operated under the aegis (protection, support) of the Church of Scientology of California, as are the other facilities of the Church (AO-ASHO).

There is and must be a central area where the standard of Scientology administration and technology are maintained through training and counselling as well as management consultation and advices. A central point is also needed for the codification of various Church dissemination and educational materials and their release. Flag fulfills these needs for all Churches. It in no way has "legal" authority over Scientology Churches, but is looked to for doctrinal<sup>2</sup> and ethical authority.

HAS ANYTHING CHANGED?

No, nothing has been changed. But due to confusion which may have developed over the years in some people's minds, it has become advisable to reassert in correct form what already exists in legal structures. These are the traditional relationships existing between these various identities.

No Policy Letters or Flag Orders, lines or terminals have been changed. Only the traditional legal relationships have been reconfirmed in such a way as to give more direction and power into the hands of Scientologists and Sea Org members without impairing forward progress but expanding it.

---

Ens. David Ziff  
PR & Consumption Aide Flag  
in collaboration with  
Joel Kreiner  
Deputy Guardian Legal US  
and  
Charles Parselle  
Deputy Guardian Legal WW  
Authorized by AVU  
for the  
BOARDS OF DIRECTORS  
of the  
CHURCHES OF SCIENTOLOGY

BDCS:CJ:CP:JK:DZ:nt  
Copyright (c) 1973  
by L. Ron Hubbard  
ALL RIGHTS RESERVED

This is Reproduced and issued to you by  
The Publications Organization, U. S.

GLOSSARY

CHARTER	A written grant by a national or state government to a colony, a group of citizens, a university, a commercial company, etc., bestowing the right of organization, with other privileges, and specifying the form of organization.
COMMUNITY	A number of people having common ties or interests living in the same place and subject to the same laws.
CORPORATE	<u>adj.</u> belonging to a corporation; having to do with a corporation.
CORPORATION	A group of persons who obtain a charter giving them as a group certain legal rights and privileges distinct from those of the individual members of the group. A corporation can buy and sell, own property, etc., as if its members were a single person.
DOCTRINAL	<u>adj.</u> of or having to do with doctrine.
DOCTRINE	What is taught as the belief of a church or group of persons; belief, principle; what is taught, teachings.
FRATERNAL	<u>adj.</u> of or characteristic of a brother or brothers; of or like a fraternal order.
FRATERNAL ORDER	A group organized for mutual aid and fellowship.
INCORPORATE	To form into a legal corporation.
INCORPORATION	An act of incorporating or the state of being incorporated.
INTEGRITY	Integrity comes from a latin word meaning untouched, whole, entire. It is now defined as 1. honesty, uprightness; 2. quality or state of being complete, wholeness; 3. undivided or unbroken condition; 4. perfect condition.
THEOLOGICAL	<u>adj.</u> of, having to do with or dealing with theology.
THEOLOGY	The study of god; the study of religion and religious beliefs; a system of religious beliefs.